

Education and Workforce Development Cabinet

Kentucky's jobless rate increases to 8.4 percent in June 2013

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Contact Information:

FRANKFORT, Ky. (July 18, 2013) — Kentucky's seasonally adjusted preliminary unemployment rate rose to 8.4 percent in June from 8.1 percent in May 2013, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet.

The preliminary June 2013 jobless rate was .1 percentage points above the 8.3 percent rate recorded for the state in June 2012.

The U.S. seasonally adjusted jobless rate was unchanged from May 2013 to June 2013 at 7.6 percent, according to the U.S. Department of Labor.

Labor force statistics, including the unemployment rate, are based on estimates from the Current Population Survey of households. It is designed to measure trends rather than to count the actual number of people working. It includes jobs in agriculture and those classified as self-employed.

In June 2013, Kentucky's civilian labor force was 2,097,074, an increase of 24 individuals compared to the previous month. Employment dropped by 5,110, while the number of unemployed people rose by 5,134.

"The Kentucky labor market has definitely taken a short-term hit. We had the largest monthly gain in unemployment in over four years. A longer view, based on changes from a year ago, shows a definite softening," said economist Manoj Shanker of the OET.

In a separate federal survey of business establishments that excludes jobs in agriculture and people who are self-employed, Kentucky's seasonally adjusted nonfarm employment declined by 300 jobs to 1,839,200 in June 2013 from the previous month. On an over-the-year basis, the state's nonfarm employment has added 14,200 jobs.

"This is the second time in 2013 that nonfarm employment has weakened. It is possible that the recent disappointing numbers reflect pay back after stronger than usual hiring earlier in the year," Shanker said.

Nonfarm data is provided by the Bureau of Labor Statistics' Current Employment Statistics program. According to this survey, two of Kentucky's 11 major nonfarm North American Industry Classification System (NAICS) job sectors registered gains in employment, while nine declined this month.

Kentucky's leisure and hospitality sector posted a gain of 7,700 jobs in June 2013. Since June 2012, the sector has grown by 12,200 positions. This sector includes arts, entertainment, recreation, accommodation and food services.

“The arts, entertainment and recreation subsector was a winner, growing by almost 10 percent with the addition of 1,800 jobs. Employers ramped up hiring in tourist spots as well as in hotels and restaurants in anticipation of an increase in vacation travelers,” said Shanker.

The government sector, which includes public education, public administration agencies and state-owned hospitals, increased by 700 jobs in June 2013. The sector had 800 more jobs compared to June 2012.

Employment in the mining and logging sector declined by 100 in June 2013. The number of jobs in this sector has dropped by 2,600 or 12.5 percent since last June.

The number of jobs in the other services sector, which includes repairs and maintenance, personal care services, and religious organizations, fell by 100 positions in June 2013. Compared to a year ago, there has been a loss of 2,800 jobs.

The financial activities sector decreased by 400 jobs in June 2013. Compared to June a year ago, businesses involved in finance, insurance, real estate and property leasing have increased by 1,400 jobs.

The information sector had 600 fewer jobs in June 2013. This segment has declined by 1,700 positions since June 2012. The industries in this sector include traditional publishing as well as software publishing; motion pictures and broadcasting; and telecommunications.

“Declines in the popularity of traditional media like newspapers, radio and local television continues to take its toll on this sector,” said Shanker.

The construction sector decreased by 700 positions in June 2013 from a month ago. Since June 2012, employment in construction has dropped by 3,500 jobs.

“The largest decline is in government-funded activities related to heavy construction like roads and bridges. Budget cuts have dampened this area of construction,” said Shanker.

The state’s professional and business services sector shrunk by 900 jobs in June 2013. This category includes establishments engaged in services that support the day-to-day activities of other organizations, including temporary employment services. Since last June, jobs in the sector have increased by 3,600.

Kentucky’s trade, transportation and utilities sector lost 1,200 jobs in June 2013. This is the largest sector in Kentucky with 376,300 positions, and accounts for about 20 percent of nonfarm employment. Since June 2012, jobs in this sector have jumped by 5,800.

The educational and health services sector dropped by 1,500 positions in June 2013. The sector has posted an decrease of 1,000 jobs since June 2012.

The state’s manufacturing sector fell by 3,200 positions in June 2013. Since June 2012, employment in manufacturing has increased by 2,000 jobs.

“Year-over-year manufacturing employment has increased for 35 consecutive months, but the monthly gains have been sporadic,” said Shanker. “The current uptick in consumer confidence should keep manufacturing employment stable.”

Civilian labor force statistics include nonmilitary workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about Kentucky labor market information at www.kylmi.ky.gov.